



## **Agency Information Collection Activities: Announcement of Board Approval under Delegated Authority and Submission to OMB**

**AGENCY:** Board of Governors of the Federal Reserve System.

**SUMMARY:** The Board of Governors of the Federal Reserve System (Board) is adopting a proposal to extend for three years, without revision, the Recordkeeping and Disclosure Requirements Associated with Regulation Y for Minimum Requirements for Appraisal Management Companies (FR HY-5; OMB No. 7100-0370).

**FOR FURTHER INFORMATION CONTACT:** Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551, (202) 452-3829.

Office of Management and Budget (OMB) Desk Officer for the Federal Reserve Board, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17<sup>th</sup> Street, NW, Washington, DC 20503, or by fax to (202) 395-6974.

**SUPPLEMENTARY INFORMATION:** On June 15, 1984, OMB delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve and assign OMB control numbers to collections of information conducted or sponsored by the Board. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. The OMB inventory, as well as copies of the PRA Submission, supporting statements, and approved collection of information instrument(s) are available at <https://www.reginfo.gov/public/do/PRAMain>. These documents are also available on the Federal Reserve Board's public website at <https://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears above.

**Final Approval under OMB Delegated Authority of the Extension for Three Years,  
Without Revision, of the Following Information Collection**

*Report title:* Recordkeeping and Disclosure Requirements Associated with Regulation Y for Minimum Requirements for Appraisal Management Companies.

*Agency form number:* FR HY-5.

*OMB control number:* 7100-0370.

*Frequency:* Event-generated.

*Respondents:* The FR HY-5 panel comprises federally regulated and state regulated appraisal management companies (AMCs) and U.S. states, except that AMCs that oversee 15 or fewer appraisers in a state or less than 25 appraisers in two or more states are exempt from these recordkeeping and disclosure requirements.

*Estimated number of respondents:* Section 225.193(a), 1; Section 225.192(b), 1,239; Section 225.193(b), 1,146; Section 225.195(c), 13; Section 225.196, 51.

*Estimated average hours per response:* Section 225.193(a), 40; Section 225.192(b), 0.08; Section 225.193(b), 1; Section 225.195(c), 1; Section 225.196, 1.

*Estimated annual burden hours:* Section 225.193(a), 40; Section 225.192(b), 99; Section 225.193(b), 2,292; Section 225.195(c), 26; Section 225.196, 51.

*General description of report:* The Board's recordkeeping and disclosure requirements associated with the minimum requirements for AMCs are found in sections 225.192, 225.193, 225.195, and 225.196 of the Board's Regulation Y, Subpart M.

Pursuant to section 225.193(a), each participating state must establish and maintain within its appraiser certifying and licensing agency a registration and supervision program with the legal authority and mechanisms to, among other things, review and approve or deny an AMC's application for initial registration; require AMCs to submit reports, information, and documents; and report violations of appraisal-related laws, regulations, or orders, as well as

disciplinary and enforcement actions, to the Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council.

Section 225.192(b) provides that an appraiser in an AMC's network or panel is deemed to remain a part of the AMC's appraiser panel until the AMC (1) sends a written notice to the appraiser removing the appraiser with an explanation or (2) receives a written notice from the appraiser asking to be removed or a notice of the death or incapacity of the appraiser. Section 225.193(b) requires each participating state to require non-federally regulated AMCs to register with the state appraiser certifying and licensing agency.

Section 225.195(c) requires a federally regulated AMC to report to the state or states in which it operates the information required to be submitted by the state pursuant to the ASC's policies regarding the determination of the AMC National Registry fee, including information relating to certain ownership limitations in the regulation.

Section 225.196 requires that each participating state submit to the ASC the information required to be submitted by the ASC regulations or guidance concerning AMCs that operate in the state.

*Legal authorization and confidentiality:* The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 authorizes the FR HY-5. Agencies must "jointly, by rule, establish minimum requirements to be applied by a State in the registration of [AMCs]."<sup>1</sup> The Agencies further must "jointly promulgate regulations for the reporting of the activities of [AMCs] to the [ASC] in determining the payment of the annual registry fee."<sup>2</sup> Each participating state with an appraiser certifying and licensing agency must also transmit to the ASC "[1] a roster listing individuals who have received a State certification or license ... [2] reports on the issuance and renewal of licenses and certifications, sanctions, disciplinary actions, and license and certification revocations, and license and certification suspensions on a timely basis to the

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<sup>1</sup> 12 U.S.C. 3353(a).

<sup>2</sup> 12 U.S.C. 3353(e).

national registry of the [ASC] ... [3] including investigations initiated and disciplinary actions taken.”<sup>3</sup>

The HY-5 reporting and recordkeeping requirements are required to obtain a benefit for states because AMCs, unless they are owned and controlled by a federally regulated depository institution, are barred from providing appraisal management services for federally related transactions in a state that has not adopted the minimum AMC requirements.<sup>4</sup> The FR HY-5 recordkeeping and disclosure requirements are mandatory for an AMC that is: (1) an AMC that is a subsidiary owned and controlled by a financial institution and regulated by a federal financial institution regulatory agency,<sup>5</sup> or (2) is registered with a state that has a state appraiser certifying and licensing agency.

The Federal Reserve does not collect information subject to the HY-5 requirements. If information subject to the HY-5 requirements is obtained as part of an examination or supervision of a financial institution, it may be considered confidential under exemption 8 of the Freedom of Information Act (FOIA).<sup>6</sup> Information subject to the HY-5 requirements may also be kept confidential under FOIA exemption 4 if it is confidential commercial or financial information that is both customarily and actually treated as private.<sup>7</sup>

*Current actions:* On December 3, 2021, the Board published a notice in the *Federal Register* (86 FR 68664) requesting public comment for 60 days on the extension, without revision, of the FR HY-5. The comment period for this notice expired on February 1, 2022. The Board did not receive any comments.

Board of Governors of the Federal Reserve System, April 1, 2022.

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<sup>3</sup> 12 U.S.C. 3338(a).

<sup>4</sup> 12 U.S.C. 3353.

<sup>5</sup> 12 U.S.C. 3353(c).

<sup>6</sup> 5 U.S.C. 552(b)(8).

<sup>7</sup> 5 U.S.C. 552(b)(4).

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**Margaret Shanks,**

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